



FEATURED OPTIONS RADAR REPORT



Bull Adjusts Higher in Green Dot Ahead of Earnings as Tech Pivot Takes Shape

Ticker/Price: GDOT (\$47.50)

Analysis:

Green Dot (GDOT) seeing 1,000 November \$45 calls open today for \$6.10, adjusting higher the \$35 calls from early June, and follows size put sales at the \$45 strike across January, December, November and September expirations. GDOT is emerging out of a narrow range today with shares up 2% and room to run back to \$49.50 high volume node. Shares are forming a large cup and handle after pulling back from 52-week highs and a run above \$50 can run back to \$60-\$65 resistance. The \$2.5B company trades 17.2X earnings, 1.95X sales and 2.4X book with high-single digit growth. GDOT has been focused on investing in operational efficiency and improvements in 2021, simplifying their focus to take advantage of scalable new opportunities where they expect to drive long-term growth. GDOT has primarily been known for their prepaid cards and managed debit business but in January launched GO2Bank, their mobile banking app, which has seen strong demand early with GDV and purchase volumes up 28% and 22% in Q1. GDOT sees long-term potential for the app as they build out tools like credit monitoring, access to lending products, and other consumer-facing capabilities. GDOT sees a big market for their Go2Bank app with around 7M people in the US unbanked last year. Analysts have an average target for shares of \$60 with a Street High \$72. Truist with a \$65 PT for shares expecting to see margin expansion in 2022 as their investments in tech start to yield results. Short interest is 5%. Hedge fund ownership rose 1% in Q1, Par Capital a new position while Starboard has a 5.9M share stake, their ninth largest.

Hawk Vision:



Hawk's Perspective: GDOT sets up well here on the chart as it emerges back above the 8- and 21-EMA and clearing \$50 could be a big shift in sentiment overall; they report on Tuesday, lower the last three, and could be a nice dip buy with those \$45 short puts in OI

Confidence Ranking: \$\$